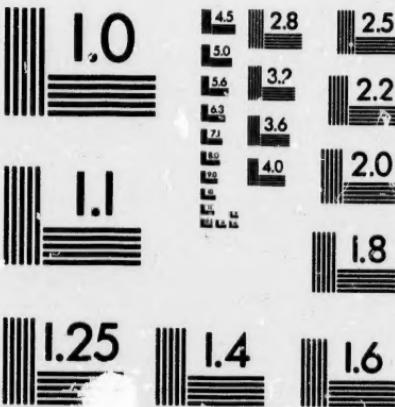


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(1) *Great Western Railway*
GREAT WESTERN RAILWAY

OF CANADA.

SPECIAL REPORT

OF THE

BOARD OF DIRECTORS,

TO THE

ENGLISH SHAREHOLDERS.

HAMILTON:

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March 29 /42.

REPORT.

The public discussion which is taking place in regard to the Railway policy of Canada—the Meetings which have been held at Hamilton and London, as to the attempt now being made by the Grand Trunk Company to construct a rival competing line to the Great Western Railway, and thereby to force it into an amalgamation with its gigantic opponent—and the remarks which are almost daily appearing in a portion of the Canadian Press upon the subject, seem to the Directors of the Great Western Railway Company, (as the Grand Trunk and Government are here viewed as one,) imperatively to call upon them to address their distant Shareholders in England, both for the purpose of explaining the position in which the Company stands, and also in order to indicate the policy which they have, after mature consideration, determined to follow in the present juncture.

The proceedings which took place at the Annual Meeting in June last, and the part taken by some members of the Board at the Public Meetings alluded to, have sufficiently testified to the Shareholders in this country, the views entertained by the Directors; but the distance at which the English Shareholders are, renders it highly important that the policy of the Board should be fully and distinctly placed before them.

Before proceeding to discuss the very important matters which will form the subject of this Report, it is

necessary in the first place to remark upon a statement which appeared in the "Toronto Leader," a newspaper which is understood to be an organ of the Canadian Government, and apparently also of the Grand Trunk Company. The statement alluded to is, that differences of opinion or misunderstandings exist at the present time at the Great Western Board. The simplest and most decided answer to that insinuation will be found in the fact, that every Director now in this country has appended his signature to this Report, as embodying the deliberate opinion of the Board upon the important questions of which it treats.

The Directors of the Great Western Railway Co. will now proceed to review the proceedings in this country, in reference to Railway undertakings, in so far as they affect the position and prospects of the Great Western Railway.

Between the years 1834 and 1839, Acts passed the Canadian Legislature, by which the present Great Western Railway was constituted, and which gave it power to construct lines of railway from Niagara Falls through Hamilton and London, to Windsor and Port Sarnia. The scarcity of capital in Canada itself, and other circumstances, tended to delay for several years the progress of a work which had always been looked upon as of such great Provincial importance. The Board at length therefore endeavored to create a foreign confidence in the undertaking. In their published Reports they shadowed forth the idea of a Trunk line of railway, passing throughout the whole length of Canada. In 1849 they succeeded in obtaining an Act of Parlia-

ment permitting the Government, under certain conditions, to guarantee the interest upon the bonds of Railway Companies in Canada, and in 1850 they procured the passage of an Act of Parliament, authorizing Municipal Corporations to become shareholders in Railway Companies.

Acting upon the faith of these proceedings, which were always held to be the recognition of the Great Western as the first step of a great Provincial system of a Trunk line of Railway, the Directors of the Great Western Company were enabled to procure the support of the leading railway authorities in the United States, who had lines abutting on the two extremities of the Peninsula of Western Canada, which found their best and most natural connection along the Great Western line. Subsequently, the completing of a main trunk line through Canada was seriously discussed, (the promoters of the Great Western, be it kept in view, being the most influential parties in this movement,) and accordingly the Canadian Parliament, on the 30th August, 1851, passed an Act by which it was proposed to construct the Railway, under a guarantee from the Imperial Government. In the 4th clause of that Act, it is provided that "The whole of the Main Trunk line of railway, from the city of Quebec, or a point opposite thereto, *to the city of Hamilton, or some convenient point on the Great Western Railroad,* shall be made as a Provincial Work." And again in the 16th clause, it is provided that the Provincial guarantee, authorized by the Act of 1849, should be limited to the lines which form a part of the

Main Trunk ; and after speaking of certain lines then constructing by private companies, proceeds to say that the guarantee shall be extended "to the Great Western Railroad, which has been commenced and "partly constructed on the faith of the said guarantee, "and forms part of the said Main Trunk Line."

Upon the faith of these proceedings, plainly and exclusively shewing the Great Western Railway to be a "part of the Main Trunk series of lines," the Directors of the former were enabled to induce English capitalists to embark money in the undertaking, which even then presented great prospects of a remunerative result, although not so great as the existing circumstances now hold out; and which seemed, by the Acts of the Canadian Parliament, to be protected against the adoption of a wild and reckless system of competition.

If any thing further is needed to indicate that the Great Western was a part of the Trunk line, it may be found in the fact that the Canadian Government, finding it impossible to procure the Imperial guarantee contemplated by the Act of 1851, called into existence private companies for constructing the Trunk line between Montreal and Toronto; and in the required Proclamation, issued by order of the Governor in Council, there occurs this passage, defining the actual course of the line—viz :

"Now know ye, that having taken the premises into our Royal consideration; and being desirous of advancing and promoting the interests of our said Province. "We have directed and declared, and do hereby direct "and declare, that the said Main Trunk Line of Railway "shall be made upon a line extending from some point on

"the Eastern frontier of our said Province, hereafter to be
 "determined upon, to some point (hereafter to be fixed)
 "in the Parish of St. Joseph de la Point Levy, opposite
 "or nearly opposite to the City of Quebec, running thence
 "in as direct a line as may be found convenient to the
 "River St. Francis, in or near the Village of Richmond,
 "in the Township of Shipton, thence by the St. Law-
 "rence and Atlantic Rail-Road to the City of Montreal,
 "or some point on the South Shore of the St. Lawrence,
 "opposite or or nearly opposite thereto, and further ex-
 "tending Westward from the City of Montreal, to the
 "City of Kingston, or some other point on or near the
 "River St. Lawrence on Lake Ontario, in the vicinity of
 "Kingston aforesaid; thence to the City of Toronto ;
 "thence to the City of Hamilton, or some convenient point
 "on the line of the Great Western Railroad, and thence
 "to the Detroit River, including any part of the said
 "Great Western Railroad, which may be constructed
 "from the City of Hamilton to the Niagara River,
 "as provided by an Act of the said Legislature, passed in
 "the said Session thereof, chaptered seventy-four, and in-
 "tituled, "An Act to extend the Provisions of an act
 "passed in the present Session, intituled An Act to make
 "Provision for the construction of a Main Trunk Line of
 "Railway throughout the length of their Province."

What ingenuity or what sophistry then can assert that the introduction of the line from Guelph to Sarnia is not a breach of faith towards this Company, and the introduction of competition into this country ?

Again there is the fact, that the same Government at the close of last year, actually advanced to the Great Western Railway Company, *as part of the Main Trunk*, and under the authority of the already quoted Act of 1851, a sum of £200,000 Stg.

As has been said the project of an Imperial guarantee failed, and it was therefore left to private Companies, with the assistance of the Provincial guarantee, to carry out the various sections of the Trunk line. Accordingly, the Great Western Railway Company and its friends, applied in 1852 to Parliament for authority to make a Railway from Hamilton, their then Eastern terminus, to Toronto, which was granted; the Act of Parliament containing the following words in the 2nd clause, viz:—“The said Railway shall be held to *form part of the Main Trunk Line of Railway*, and the said Company shall accordingly, upon complying with all the provisions of the law in that behalf, be entitled to the benefit of the guarantee of the Province, to the extent and in the manner by law provided.”

Here then is the Great Western Company carried Eastward as far as Toronto “as part of the Main Trunk Line,” and upon turning to the Grand Trunk Act itself, it appears that it authorizes that Company to make a line of Railway from Montreal to *Toronto*, thus carrying out the intention of all preceding Acts, both of Parliament and the Government, of making the Great Western Railway a part of the Main Trunk Line.

The proceedings which took place at the time that the Grand Trunk Act was before the Railway Committee of the House of Assembly, must next be set forth, as bearing in conjunction with what has since taken place, a very important part of the present statement.

The present Prime Minister of this country proceeded to England, after the passing of the Act of 1851, as to

a guarantee from the Imperial Government, and finding that such a scheme could not be carried out, made some arrangements with a firm of eminent Railway contractors, to construct upon certain terms, the portion of the Main Trunk Line from Montreal, through Kingston, to Toronto. In the meantime, however, as before mentioned, the Governor in Council had, by proclamation, called into existence *private* Companies for the construction of that part of the line, and the necessary steps to organize the Companies had been taken. It appears that the stock was taken up mainly by Messrs. A. T. Galt, L. H. Holton, and D. L. McPherson, who were all three interested in the construction of the line.

These gentlemen (Messrs. Holton and Galt especially) strenuously opposed the granting of the present Grand Trunk Act, and not without reason set up their vested rights, called into existence as they had been by the act of the Government, under the authority of an Act of Parliament, and expecting as they did, to benefit by the construction of the line. The proceedings before the Railway Committee are on record, and it appears that despite the opposition of Messrs. Holton and Galt, the Grand Trunk Bill passed the Committee, and was ordered to be reported to the House. The opposition to it was still continued, but at length was suddenly, and without the decency of any alleged cause put an end to, to the utter amazement of the country at large; and the names which appear in the Grand Trunk Act, include those of Messrs. Galt, Holton, and McPherson, its bitter opponents when before the special Committee.

In the same Session a Bill was introduced, the pream-

ble of which is as follows :—“ An Act to amend the Act incorporating the Toronto and Guelph Railway Company.”

The Toronto and Guelph Act had been passed in 1851, and the new bill was framed for the purpose of amending the provisions of the first Act, and removing doubts as to certain bonds which the Company had issued.

The Contractors for constructing the Toronto and Guelph line include Messrs. Galt, Holton and McPherson.

The notice for the new Bill contained the following words: “Also for power to extend the Railway to some points on Lake Huron and the River St. Clair, with a branch line to London and Woodstock”; but when the bill came before the Railway Committee, after the G. Trunk Bill had been passed by the Committee, the former was found to contain authority to extend the Guelph line to *Sarnia*, in the face of the latter place having already in the Charter of the Great Western, secured connection with the Trunk series of Railways, and Goderich having desired an outlet through the Goderich and Buffalo line then before Parliament, and their decided preference for which, the United Counties of Perth, Huron and Bruce, (the District lying between Guelph and Sarnia,) had declared by subscribing for £125,000 of Stock, which is thus referred to in the Preamble of the Buffalo and Goderich Act, which became law at the same time with the bill which limited by specific enactment the Grand Trunk line extension to Toronto, viz:

“ And that among others, the County Council of the United Counties of Huron, Perth, and Bruce, have resolved to empower the Warden thereof to subscribe for Shares in the Stock of the said Company to the amount

of One Hundred and Twenty-five Thousand Pounds, and have adopted for publication, and have printed, published and passed the requisite By-Law."

Nothing that we could say could express so forcibly as the foregoing facts how the Government and the Grand Trunk have outraged the great principle so strongly advocated by Mr. Stephenson, of not sanctioning competing lines, even if they did not make equally plain that the faith of solemn engagements had been by them altogether disregarded.

Evidence was taken by the Committee upon the granting of the Guelph and Sarnia extension, and amongst others the following:

"The Honorable the Speaker examined :

"Question 18.—'Were you a member of the Railway Committee last year?'—'Yes.'

"Question 19.—'What was the understanding when the Toronto and Guelph Road passed the Committee?'—'*I distinctly recollect that the understanding was that the road was not to go further than Guelph.*'"

After discussion, the Committee, upon division, passed the following Resolution on the 30th October, 1852:

"Resolved,—That in the opinion of this Committee, "it would be unjust and impolitic to grant a competing "line with the Great Western Railway, such as that "asked by the Toronto and Guelph Company, in the "proposed extension of their line from Guelph to Sarnia, "there having been no evidence adduced to show to this "Committee that there would be more business than one "line could do; that the Province having taken interest "to the extent of one-half the cost of the road now "chartered (being upwards of seven hundred and fifty "thousand pounds,) that interest, as well as the interest "of the individual Stockholders should be protected.

" This Committee are of opinion that the extension of
" the Toronto and Guelph Railway Company should not
" be granted."

This resolution was reported to the House, and after a debate, was negatived, *certain members of the Government, and now Directors of the Grand Trunk Railway,* voting in favor of the extension to Sarnia. The Act was accordingly passed, with a clause appended, giving the necessary power to construct the line from Guelph to Sarnia, such authority being comprised in a single clause at the end of the Bill, having no reference to the Preamble or other parts of the Act. The Government guarantee was however refused to this line, which, it will be recollect, the Act of 1851 declared should only apply to portions of the Trunk line, which this was not; the Legislature thus distinctly asserting their intention that the line should not be a part of the Grand Trunk and it is here necessary to state that the Great Western Board, feeling alarmed at the threatened introduction of competition into the country, sent a deputation to Quebec to oppose the Guelph and Sarnia line, and that at that time one of the Directors of this Company was distinctly assured by Mr. Jackson, that it never had been and never would be entertained to include the Toronto, Guelph, and Sarnia line as a part of the Main Trunk. The fulfilment of this pledge will be found in the fact that in the Grand Trunk Prospectus, this road is recognized as a part of the Grand Trunk, while it turns out that Messrs. Galt, Holton & McPherson, whose persistance in an independent course in regard to the road from Montreal west, would have been fatal to Messrs.

Jackson & Co's colossal contract, are found to have been awarded the contract for making the usurped section of the new project, to wit, this same Toronto, Guelph and Sarnia line—a line which running through a comparative wilderness and wanting as it did the co-operation of the local Municipalities, as well as the guarantee of the Province, could not have been attempted except with the assistance of Messrs. Jackson & Co. The history of these extraordinary Parliamentary proceedings is closed by the passing of an Act in the first part of the last Session, and subsequently amended in the same Session, authorizing the amalgamation with the Grand Trunk of any lines which intersect it—thus permitting of amalgamation with the Toronto and Sarnia line, which is virtually to deprive the Great Western of chartered rights, secured by specific act of the same Legislature.

So matters rested until April last, the Great Western Board feeling assured that the Grand Trunk parties would faithfully and honorably adhere to their promise of not having anything to do with the Guelph and Sarnia line, and feeling secure in their being a part of the Main Trunk, as so repeatedly and distinctly declared both by Parliament and the Government.

In the month of April, however, the Grand Trunk Prospectus was brought forward in England, and the surprise and deep regret of the Directors of the Great Western Company may be imagined when they found it to contain the Toronto and Sarnia line, not as a feeder, but as the Western Section of the Grand Trunk line; and the existence of the Great Western line, the pioneer of Railway undertakings in Canada, the legal Western

part of the Main Trunk, and the line whose success and prospects had drawn the eyes of English Capitalists to that country, almost ignored. Nor is the answer of many, that no Legislative or other effort can render the Great Western Stock other than the best security and investment in the Province any excuse for such a gross outrage upon this Company.

The regret of the Great Western Board was much enhanced by finding the Direction of the Grand Trunk mainly composed of the members of the very Government whose acts from time to time have been here pointed out, as securing to the Great Western as a great public improvement the privilege conferred upon it by Parliament, and in whose faith as well as friendship they had reposed unlimited confidence.

It is not perhaps for us in our capacity as Directors of the Company, to dwell at any length upon the extraordinary and unprecedented position occupied by members of the Government in forming a large part of the Direction of the Grand Trunk Railway—thus securing an identification of the policy of the Government with that of the Railway, and placing the former in the anomalous position of having, as heads of the various Departments of the Public Service, to decide upon the propriety and correctness of proceedings, which they themselves direct as Managers of the Railway. This position however, is rendered the more extraordinary, from the fact that they have placed themselves, as Directors of the Grand Trunk Railway, in hostility to the Great Western Company, and are therefore very peculiarly placed, as guardians of the public interests, in viewing questions which are arising

between the two Companies. But as Great Western Directors, we have a right strongly to denounce the proceeding of introducing the Toronto and Port Sarnia line into the Grand Trunk scheme, as a breach of faith towards this Company—a repudiation by the Government of the Acts of the Legislature, which they, as the Executive of the Province, were bound to carry out ; and as the introduction into the country of that wild and reckless system of competition which has produced such disastrous results elsewhere, and which, if persisted in, will deprive the Province of its fair prospects of getting English assistance to any really sound enterprise amongst us.

It is only due to themselves to state, that the Directors of the Great Western Company took every necessary step to carry out the spirit of the arrangement, concluded by the English Shareholders, upon the appearance in England of the Grand Trunk prospectus, and that they regret having to report, that when, after some trouble, they obtained an interview with the Grand Trunk Board upon the subject, they were informed that the arrangement in question had never been under the consideration of the Grand Trunk Direction; and the tone adopted by the latter practically amounts to an entire repudiation of the whole arrangement.

Not only do the Grand Trunk Board seek pretexts to break up the London arrangements, made on their behalf by their Directors, Messrs. Glyn and Baring, with the assistance of the President of the Company, the Honble. John Ross, Attorney General of the Province, who was in England in April, (by which arrangement the friends of the Great Western hoped at least to stop at its

then point, the threatened injury to this Company, as well as the credit of the Province,) but they are attempting by every possible means, including a threat to carry traffic from Sarnia to Toronto gratis, to force this Company into an amalgamation. To so great an extent has this been carried, that public meetings have been held at Hamilton and London to protest against any such proceedings. The first was a large, highly respectable, and entirely unanimous assemblage of the Citizens of Hamilton, and at which the following Resolutions were passed by acclamation.

"Whereas reports have reached this City from various quarters, as mainly proceeding from gentlemen connected with the Grand Trunk Railway, that measures are in contemplation by the Directors and others aiding that enterprise, to endeavor to absorb the Great Western Railway Company into the Grand Trunk scheme.

"And whereas any such amalgamation could not fail to operate most injuriously to the Stockholders of the Great Western Railway, by joining their road to a larger and much less profitable enterprise, and placing it under the control of parties whose interest it would be to force the trade of the United States to the east and west of us, over a more northern, much longer, and less convenient route, and thereby in all probability forcing such travel and traffic round by the South shore of Lake Erie, thus turning off from this Province and the waters of Lake Ontario and the St. Lawrence, the business that rightfully and fairly belongs to them—be it therefore

"Resolved—That in the opinion of this meeting, the Shareholders and Directors of the Great Western Railway Company will best consult the interests of this Province, as well as their own self-evident advantage, by declining to enter into any amalgamation with the Grand

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Trunk Railway, and resolutely maintaining their own independence.

"That in the opinion of this meeting, the route of the Great Western Railroad is so far superior to any other projected in Canada, that its prospects can only be injured by amalgamation with any other line.

"That this Meeting, while resisting railway monopoly, looks with much satisfaction upon the recorded opinions of so eminent an authority as Mr. Robert Stephenson, in deprecating the evils of railway competition, and trusts that he may be enabled to advise the adoption of a policy in regard to the competition now threatened by the carrying of the Grand Trunk line from Guelph to Sarnia, which runs the whole way parallel to the previously chartered Great Western Railway, at a very short average distance therefrom, instead of running North West to Saugeen and Owen Sound, a magnificent line of communication still unoccupied, and which would complete a Railway system for Canada West, such as Mr. Stephenson has foreshadowed, while not interfering with any existing or chartered line of Railway."

At London also, the following Resolution was passed, the leading men of the Town supporting it, and speaking strongly as to the injurious effect upon Western Canada of absorbing the Great Western Railway into its large and already overgrown competitor.

Resolved—"That the extension of the Grand Trunk from Guelph to Port Sarnia will, in the opinion of this meeting, be the creation of a rival and unnecessary line, and that the true interests of both the Grand Trunk and Great Western Railway Companies, and of Western Canada, would be best served by avoiding that species of competition so much deprecated by Mr. Stephenson."

The great efforts which have been made to accomplish the absorption of the Great Western Railway into the

Grand Trunk scheme—efforts which are visible in every act of the latter, its Directors, Contractors and Agents, have compelled the present appeal to the Shareholders of the Great Western line. All that has been attempted in this country by the Grand Trunk party has failed; the strong assertions and loud threats of the Grand Trunk have failed in shaking the confidence of the Great Western Board in the position which they have assumed—the attempted cajolery of the Canadian Shareholders,* who know the facts and the localities, have had no effect, and the voice of the country is universally condemning the proceedings which are being resorted to to destroy the independence of this Company. Still the efforts continue, and finding that all else has failed, we are now assured on unquestionable authority, that the Grand Trunk agents have sent to England to offer an amalgamation of the two Stocks at a considerable premium on the Great Western shares.

This step of the Grand Trunk, has made the present appeal to the Shareholders impossible to be avoided, and in the judgment of the Directors, it is rendered the more necessary, on account of the expectations understood to be entertained by the Grand Trunk party, that they will be able to influence, (if not something worse,) some of the leading railway men in England, now connected with

* The views entertained by the Canadian Shareholders is best evidenced by the following extract from the proceedings at the last annual meeting of this Co., viz :

"To prevent further discussion the President, Mr. Harris, would take an expression of opinion from those present, and would request those against the amalgamation with any other Company, particularly the Grand Trunk, to stand up. All the Stockholders present immediately stood up."

the Great Western—a report which is evidently calculated to damage our case so essentially, however much we ourselves may repose that confidence in our friends in England, which their consistency and devotion to our cause in times of greater difficulty, ought unquestionably to justify.

Having pointed out the present position of matters in this country, and having felt it to be their duty to expose the proceedings which have characterized the progress of the Main Trunk, the Directors of the Great Western will now state a few facts which induce them to recommend their Shareholders, firmly to retain their independent position, and under no circumstances whatever to listen to any overtures of amalgamation from the Grand Trunk Company.

With this Report two maps are enclosed. No. 1 shews the existing lines which have been chartered by Parliament. From this it will be seen what a glaring case of competition the Toronto and Sarnia line introduces into this country, and it will shew the great extent of Railway lines which will be constructed in a small and limited district, provided the projectors can induce foreign Capitalists to supply the necessary funds. The only lines actually progressing at this moment are the Great Western, the Buffalo and Goderich, the Toronto and Guelph and the Erie and Ontario.

The others are all endeavouring to raise means to carry on their operations.

Map No. 2 presents a different aspect. It will be seen that upon it are laid down the lines of Railway in the United States at both extremities of the Great

Western Railway, with which it is in friendly connection, and which will find in the Great Western the shortest and most facile connection between the two systems. The through travel which these lines will carry to and from the Great Western line, is immense; and no one not acquainted with the vast tide of travel which is constantly flowing between the Eastern and Western States of America, can form any idea of the amount of business which will be carried along the Great Western line. Nature has placed that part of Canada traversed by the Great Western in such a position, as to make that line, in point of time and distance, immeasurably superior to any other route which can accommodate the same travel. Any attempt to force that travel by a more northern route, which would be tried if the Grand Trunk succeeds in securing the Great Western Line, would result in the entire loss to Canada and its Railways of that vast tide of traffic which has been referred to, and which will, in the opinion of the best informed Railway men on this continent, make the Great Western the best paying stock on this side of the Atlantic.

Look at its feeders. On the one side, the New York Central lines, which have paid 10 per cent. dividend, doubled their capital without making any calls upon their shareholders, and with a traffic which is increasing at the rate of 25 per cent. per annum, bidding fair even now to pay 10 per cent. on its doubled capital.

On the other side, are the Michigan Central and Southern lines, the first of which has paid dividends of from 10 to 14 per cent., and is connected with about 1500 miles of Railway, stretching through the most flour-

ishing districts of the vast and teeming West, the travel of which will be drawn to Detroit and thence to the Great Western.

Again the local business on the Great Western line will be of such an extent as to present results, which hardly any expectations which we might feel justified in holding out, would at all approach. The position of Hamilton, at the head of navigation, will make it unquestionably the point of shipment to the ports on Lake Ontario and the St. Lawrence, for the whole of the extensive district West of it.

On the whole, the Directors must express their strong and decided opinion, founded on extensive local knowledge and many years familiar acquaintance with the districts and traffic which are so soon to be served by the Great Western, that nothing but amalgamation with the Grand Trunk line can do us any vital injury.

The Great Western line will, it is confidently expected, be in operation from Niagara Falls to Hamilton on the 1st of November; it will be extended to London by the beginning of the following month, and by the 1st of January 1854, will be opened for its entire length. Its prospects are then about to be realized, and the Directors cannot believe that the shareholders will be so blind to their own interests, as to listen to any suggestion for merging those prospects into a gigantic scheme, for which a spade has hardly been put into the ground West of Montreal.

The Directors of the Great Western will now proceed briefly to indicate the policy which it seems to them should be followed at this juncture, a policy which in

their opinion will tend to further the stability of the Great Western Railway as a permanent and safe investment for capital, and will at the same time much better serve the wants of the Districts, and of Canada generally, than the wild competition now threatened by the Grand Trunk.

A reference to Map No. 2 will shew a system of lateral lines, colored red, running from the North and South into the Great Western line. They consist of a short branch to connect Malden, (opposite the Southern Michigan Line,) with the main line—a line diverging at London South to Port Stanley on Lake Erie, and another Northwards, through some of the richest Townships in Upper Canada, to the point where the Sable empties itself into Lake Huron—a line running south from Woodstock, and passing through a fine lumbering country to Port Burwell—Another Southern lateral line, leaving the Great Western at its junction with the Galt Branch, placing Brantford in direct connection with Hamilton, and continuing to Simcoe and Port Dover, thus giving to the fine Agricultural districts through which it passes, communication both to the East and West, and also to the North; another cross line is from Niagara to Chippawa, the importance of which the Board cannot too strongly urge upon the consideration of the proprietors.

All the foregoing lines the Directors feel it is the interest and duty of the Company to aid the localities in constructing by every means in their power, provided Parliament and the Government will adopt and carry out the principle upon which they are based.

The adoption of this system would of necessity

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involve the abandonment of lines of Railway which have been agitated merely for the purpose of creating in this country competition, and would necessitate the abandonment of the connection between the Grand Trunk and the Toronto and Sarnia lines, which it has been shewn is in defiance of the pledges of Parliament, the Government, and the parties themselves.

This would enable that Company to turn their line northwards, through the splendid tract of country stretching to the Georgian Bay—it would provide, without the evils of competition, Railway communication with all the prominent points on the western frontier of Canada, viz. the Saugeen, Goderich, Sarnia, Windsor, and Malden; and it would afford to the various towns and districts better accommodation than a series of competing parallel lines, each attempting to vie with and ruin the other. It would have the effect of benefiting the Grand Trunk, by procuring for it the hearty coöperation of this Company, in exchanging with it, at its legitimate termination at Toronto, its proper proportion of the great travel which must flow on to the Great Western line at its western termini, and would save the Grand Trunk the necessity of working an unremunerative line of 170 miles, and after all, not getting any of the through travel, if they force us into a state of competition. It would ensure at an early date the doubling of the Great Western line from London to Toronto, a measure which the vast traffic will, under any circumstances, soon render indispensable.

All that is wanted to accomplish this is, that the Share-holders, the men who provide the means to carry these great works into execution, should assert the power which they possess, regardless of the interested clamours of Contractors, who having got very heavy prices for their work, are naturally anxious to get as much of it to do as possible.

All that has here been stated are facts, and facts alone. The Directors have the greatest confidence in submitting the case to the Shareholders, feeling assured that they will always be supported in honestly and faithfully endeavouring to guard the interests of those who have done them the honor to appoint them to control and guard this great enterprise.

They would at the same time take this opportunity of stating, that nothing would give them greater pleasure than to have the English Shareholders send out two or three of the best and most impartial men that could be selected, to enquire into the present position and policy of this Company, to inform themselves thoroughly as to the facts herein detailed, and to examine into the prospects of this Company's fulfilling the expectations which we now hold out. To such a commission fairly and impartially selected, the Board would be most happy and ready to afford every possible assistance and information. The Great Western has truth and justice on its side, and only needs that truth to be analyzed and investigated to place the Company in the position which it ought to occupy; and the Board are satisfied that no other effect can follow the strictest investigation into the Great Western, its position and prospects, than to place it more firmly and securely in the public favor.

C. J. BRYDGES, Vice-President.

G. S. TIFFANY, Director.

W. P. McLAREN, "

R. JUSON, "

H. McKINSTRY, "

ISAAC BUCHANAN, "

*E. ADAMS, Mayor of London.

*W. NILES, Warden of Middlesex.

*D. MATHIESON, Warden of Oxford.

*W. G. KERR, Mayor of Hamilton.

* Ex-Officio Directors, representing £125,000 of Municipal Stock.

N. B.—The Maps referred to not being finished by the Lithographers, will be sent by the next mail.

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